

## **Assessor's Report 2011**

This year's Board of Assessors adopted the principle of the Community Standard of Living Method of Arden Assessment in use since 1980 as the basis for determining total land rent.

The "Community Standard of Living Method of Arden Assessment" defines total "Full Rental Value" of the leaseholds as the sum of town expenses (both "non-budget" in the form of county and school taxes, and "budget" as embodied in the town's budget), and the cost of administering the trust, while maintaining a "prudent reserve". This method divides full rental value by acreage of land held privately in leaseholds, such divisions determined by assessors' formulas. The formulas, which are intended to reflect the relative value of leaseholds, are based on lot size, zoning privileges and location factors (see rates and factors below).

A majority of the Board of Assessors continues to endorse the principles of real estate practice in the wider community, which we embody as a multi-tier evaluation of leasehold area. The "**A rate**" is the base rate, common to all leaseholds - the first 7,116 square feet, using as our unit the area of the smallest leasehold in Arden.

In addition to the factors that have been used since 1980, this year's Board of Assessors has made an additional adjustment to more fairly distribute the cost of trash removal. The change is to assure leaseholds are assessed, as nearly as possible, an amount proportional to the benefit they receive.

### **Rationale for the Change**

The cost of trash collection is rising, and accounts for a significant portion of the Community Standard of Living. Fuel costs and landfill fees are driving the increases.

Until now, total leasehold area and location factors have been used to distribute the trash collection portion of the Community Standard of Living. This is not consistent with equitable distribution of this cost. The first 7,116 square feet of each leasehold is considered the minimum area required to support a residence. A new "**M Rate**," ("M" for Municipal), will be applied to the first 7,116 square feet of the leasehold. This is in addition to the "A Rate". It is the use of this portion of the leasehold that substantially generates trash expense. The cost of trash collection, as in the cases of Ardentown and Ardencroft, stands in contrast to all other costs as a burden created through the use of a leasehold.

### **Impact of this Change**

It should be noted that the annual cost for trash collection in 2012 is expected to be \$75,000. This contracted service has been negotiated as a bulk trash rate by Arden, Ardentown, Ardencroft and the waste management contractor. The change made by the Board of Assessors affects 90% of the leaseholds by +/- \$175.00 in overall cost.

### **Other Factors used in the Assessment**

The multiple domicile rate (the "**B rate**") is set this year at 80% of the "A rate". For each dwelling unit beyond the first, the leasehold is charged the B Rate for an additional 7,116 square feet but is not charged for more than the actual area of the leasehold. The "**C rate**" is applied to the amount of land on a leasehold not covered by the A or B rates. It is assessed at 40% of the "A rate." The "**D rate**" is the commercial rate, only applied to one leasehold. It

continues at a surcharge of 75%, with no deduction for frontage on Marsh Road. These rates were not changed from the prior year.

The specific location factors are as follows.

- |   |      |
|---|------|
| 1. Leaseholds adjacent to Arden or Sherwood Forests                           | +10% |
| 2. Leaseholds fronting on Arden or Sherwood Forest by being across the street | +5%  |
| 3. Leaseholds adjacent to or fronting on a communal green                     | +5%  |
| 4. Leaseholds adjacent to Harvey Road and/or Marsh Road                       | -5%  |
| 5. Leaseholds having driveway access only to Harvey Road and/or Marsh Road    | -5%  |

#### Notes

1. The specific location factor charges (in dollars) to be added to or subtracted from the sum of the Base Land Rent, **excluding the "M Rate"**, are obtained by multiplying the Base Land Rent for the leasehold by the appropriate specific location factors as given above.  
The Total Land Rent is the sum of Base Land Rent + Location Factors charges + M Rate.
2. Leaseholds having less than a 25 foot opening to the forest will not be charged a woods factor. More than that frontage to the forest will be considered a full access and charged a full factor.
- 3 Location factors 4 and 5 are additive if both are applicable.

Based on information obtained from the Budget Committee, the Village Treasurer and the Trustees, the Board of Assessors presents the following report. In order to meet the 2012-13 forecast expenditures of \$656,882 and to produce a prudent reserve of \$137,734, the Board of Assessors has set the "A rate" for March 2012 at \$207 per thousand square feet, and the "M rate" at \$53 per thousand square feet.

1) Forecast Expenditures

School & County Taxes	\$399,432
Trust Administration	\$38,900
Sherwood Forest Loan	\$16,176
Arden Town Budget	\$202,374
<b>Total forecast expenditures</b>	<b><u>\$656,882</u></b>



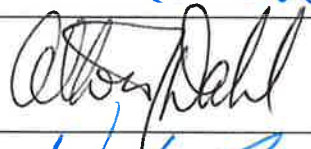

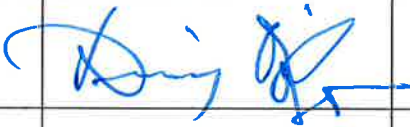


2) Forecast Revenue

Forecast Revenue from sources other than land rent	\$28,000
Total Revenue from land rent	\$593,000
<b>Total expected revenue</b>	<b><u>\$621,000</u></b>

3) Prudent Reserve

Expected difference between expenditures and revenue	\$(36,000)
Projected March 2012 prudent reserve	\$174,000
<b>Target prudent reserve projected for March 30, 2013</b>	<b><u>\$138,000</u></b>

THE 2011 BOARD OF ASSESSORS  
Vote on Final Report (Signed 21 June 2011)

<u>2011 Assessor</u>	<u>Assessor Signature</u>	<u>Assessor Vote</u>
Tom Wheeler		NO
Alan Burslem		Yes
Alton Dahl		NO
Bill Theis		Yes
Denis O'Regan		Yes
Gary Quinton		Yes
Walter Borders		Yes

**Examples using 2011 Rates**

**Examples of base rentals:**

<u>Lot Size (sq ft)</u>	<u>Base Land Rent</u>
10,000	\$2,089
20,000	\$2,917
30,000	\$3,745
40,000	\$4,573
50,000	\$5,401

**Examples of rate calculations:**

1. A 20,000 sq. ft. lot containing one dwelling unit, on a village green and adjacent to a forest:

7,116 sq. ft. * \$207 / M sq. ft. (A Rate)	\$1,473
7,116 sq. ft * \$ 53 / M sq. ft. (M Rate)	\$377
12,884 sq. ft.* \$207 / M sq. ft. * 40% (C Rate)	\$1,067
<b><u>Base Land Rent</u></b>	<b><u>\$2,917</u></b>
Forest Factor - \$2,540 / * 10%	\$254
Greens Factor - \$2,540 / * 5%	\$127
<b><u>Total Land Rent</u></b>	<b><u>\$3,298</u></b>

2. A 30,000 sq. ft. lot containing three dwelling units and adjacent to Arden Forest:

7,116 sq. ft. * \$207 / M sq. ft. (A Rate)	\$1,473
7,116 sq. ft * \$ 53 / M sq. ft. (M Rate)	\$377
7,116 sq. ft. * 2 * \$207 / M sq. ft * 80% ( B Rate)	\$2,357
8,652 sq. ft.* \$207 / M sq. ft. * 40% (C Rate)	\$ 716
<b><u>Base Land Rent</u></b>	<b><u>\$4,923</u></b>
Forest Factor - \$4,546 / * 10%	\$455
<b><u>Total Land Rent</u></b>	<b><u>\$5,378</u></b>

**END OF 2011 ASSESSOR'S REPORT**